**HEALTH CARE FINANCING ADMINISTRATION**
**SPECIAL TERMS AND CONDITIONS**

**NUMBER:** 11-W-00131/3

**TITLE:** District of Columbia Medicaid Section 1115 Health Care Reform Demonstration for Individuals with HIV/AIDS

**AWARDEE:** District of Columbia, Medical Assistance Administration

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# I. PREFACE

The following are Special Terms and Conditions for the award of the District of Columbia's Medicaid Section 1115 Health Care Reform Demonstration (HIV/AIDS Demonstration Project) waiver request submitted on October 5, 2000. The Special Terms and Conditions have been arranged into three broad subject areas: General Conditions for Approval, Legislation, and Program Design/Operational Plan.

In addition, specific requirements are attached entitled: General Financial Requirements (Attachment A); General Program Requirements (Attachment B); General Reporting Requirements (Attachment C); Monitoring Budget Neutrality (Attachment D); Access Standards (Attachment E); and Operational Protocol (Attachment F).

The District agrees that it will comply with all applicable Federal statutes relating to non-discrimination. These include, but are not limited to, the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. As part of the review of the operational protocol that the District is required to submit, the Health Care Financing Administration (HCFA) will examine the District's proposed operational procedures to ensure their consistency with the requirements set forth in the above Federal statutes.

Letters, documents, reports, or other material that is submitted for review or approval will be sent to the HCFA Central Office The District HIV/AIDS Demonstration Project Officer and the District's Representative in the HCFA Philadelphia Regional Office.

## II. GENERAL CONDITIONS

**A.** All Special Terms and Conditions prefaced with an asterisk (*) contain requirements that must be approved by the Health Care Financing Administration (HCFA) prior to program marketing, enrollment, or implementation. No Federal Financial Participation (FFP) will be provided for section 1115 program implementation until HCFA has approved these requirements. FFP will be available for project development and implementation, compliance with Special Terms and Conditions, the readiness review, etc. Unless otherwise specified, where the District is required to obtain HCFA approval of a submission, HCFA will make every effort to respond to the submission in writing within 45 days of receipt of the submission. HCFA and the District will make every effort to ensure that each submission is approved within 60 days from the date of HCFA's receipt of the original submission.

**B.** *The District will prepare one protocol document that represents and provides a single source for the policy and operating procedures applicable to this demonstration which have been agreed to by the District and HCFA during the course of the demonstration negotiation and approval process. The protocol must be submitted to HCFA no later than 90 days prior to program implementation. HCFA will respond within 30 days of receipt of the protocol regarding any issues or areas it believes require clarification. During the demonstration, subsequent changes to the demonstration program and the protocol that are the result of major changes in policy or operating procedures shall be submitted for review by HCFA. The District shall submit a request to HCFA for these changes no later than 90 days prior to the date of implementation of the change(s). The Special Terms and Conditions and Attachments include requirements that should be included in the protocol. Attachment F is an outline of areas that should be included in the protocol.

**C.** The District will submit a phase-out plan of the demonstration to HCFA 6 months prior to initiating normal phase-out activities and, if desired by the District, an extension plan on a timely basis to prevent disenrollment of enrollees if the demonstration is extended by HCFA. Nothing herein will be construed as preventing the District from submitting a phase-out plan with an implementation deadline shorter than 6 months when such action is necessitated by emergent circumstances. The phase-out plan is subject to HCFA review and approval.

**D.** *Prior to implementation of the HIV/AIDS demonstration, HCFA requires the status and documentation of the District's use of the Federal Supply Schedule prices to purchase drugs that will be part of this demonstration.

**E.** The District will comply with:

1. General Financial Requirements (Attachment A)
2. General Program Requirements (Attachment B)
3. General Reporting Requirements (Attachment C)
4. Monitoring Budget Neutrality (Attachment D)
5. Access Standards (Attachment E)
6. Operational Protocol (Attachment F)

## III. LEGISLATION

**A.** All requirements of the Medicaid program expressed in laws, regulations, and policy statements, not expressly waived or identified as not applicable in the award letter of which these Special Terms and Conditions are part, will apply to the District Demonstration. To the extent the enforcement of such laws, regulations, and policy statements would have affected District spending in the absence of the demonstration in ways not explicitly anticipated in this agreement, HCFA will incorporate such effects into a modified budget limit for the District Demonstration. The modified budget limit would be effective upon enforcement of the law, regulation, or policy statement. HCFA will have two years after the demonstration award date to notify the District that it intends to take action. The growth rates for the budget neutrality baseline, as described in Attachment D, are not subject to this Special Term and Condition. If the law, regulation, or policy statement cannot be linked specifically with program components that are or are not affected by the District Demonstration (e.g., all disallowances involving provider taxes or donations), the effect of enforcement on the District's budget limit will be proportional to the size of the District Demonstration in comparison to the District's entire Medicaid program (as measured in aggregate medical assistance payments).

**B.** The District will, within the time frame specified in law, come into compliance with any changes in Federal law affecting the Medicaid program that occur after the demonstration award date. To the extent that a change in Federal law, which does not exempt the District's section 1115 demonstrations, would affect District Medicaid spending in the absence of the demonstration, HCFA will incorporate such changes into a modified budget limit for the District Demonstration. The modified budget limit will be effective upon implementation of the change in Federal law, as specified in law. If the new law cannot be linked specifically with program components that are or are not affected by the District's Demonstration (e.g., laws affecting sources of Medicaid funding), the District will submit its methodology to HCFA for complying with the change in law. If the methodology is consistent with Federal law and in accordance with Federal projections of the budgetary effects of the new law in The District, HCFA would approve the methodology. Should HCFA and the District, working in good faith to ensure District flexibility, fail to develop within 90 days a methodology to revise the without waiver baseline that is consistent with Federal law and in accordance with Federal budgetary projections, a reduction in Federal payments will be made according to the method applied in non-demonstration States.

**C.** The District may submit to HCFA a request for an amendment to the District's Demonstration program to request exemption from changes in law occurring after the waiver award date. The cost to the Federal government of such an amendment must be offset to ensure that total projected expenditures under a modified District Demonstration program do not exceed projected expenditures in the absence of the District's Demonstration (assuming full compliance with the change in law).

## IV. PROGRAM DESIGN/ OPERATIONAL PLAN

### A. Outreach, Intake, and Enrollment

**1. *Outreach**

The District will submit to HCFA a copy of its outreach strategy, which will include: details about specific informational items (e.g. program eligibility criteria, enrollment limitations, benefits package) that will be communicated to participating providers and potential demonstration clients; media which will be utilized; specific geographical areas of interest in the District; and, locations where such information will be disseminated. The strategy should also address outreach to minority populations, including racial and language minorities. Using District guidelines for readability and accuracy, the District will approve outreach material used to enroll HIV/AIDS demonstration clients before such materials are disseminated. HCFA shall review copies of District outreach materials and require modifications, if necessary, prior to dissemination. Refer to number 4 of Attachment F.

**2. *Eligibility/Intake**

The eligibility/intake process will be described in number 5 of Attachment F. At the time of eligibility/intake, the District will ensure that the applicant is informed about the demonstration's limited enrollment and the waiting list mechanism (if applicable). All potential enrollee will be provided specific information regarding the eligibility criteria for demonstration (e.g. income level, the District's methodology to verify HIV positive status); numbers of applicants on the waiting list; and benefits. An applicant who was on non-demonstration Medicaid but lost eligibility for non-demonstration Medicaid and wishes to enroll in the demonstration (in accordance with A.3), will be clearly informed about the waiting list mechanism if applicable. Also refer to number 11 of Attachment F.

**3. Screening for Medicaid Eligibility**

The District shall ensure that individuals applying for the demonstration are screened to determine if they are eligible for non-demonstration Medicaid, and if found eligible, then enrolled in non-demonstration Medicaid. An individual receiving coverage under non-demonstration Medicaid may participate in the demonstration only if the individual's circumstances change such that, upon redetermination, the individual is found to be ineligible for non-demonstration Medicaid and eligible for the demonstration. In addition, demonstration participants who become eligible for non-demonstration Medicaid will be disenrolled from the demonstration and will be enrolled in the non-demonstration Medicaid program. The description of the application and determination process shall be included in the Protocol document, in accordance with number 5 of Attachment F.

Within 6 months of demonstration implementation, the Medical Assistance Administration (MAA) will negotiate to secure a worker from the Income Maintenance Administration (IMA) to assist in determining potential demonstration enrollees' financial Medicaid eligibility. This IMA worker will assist either the MAA or the Administration on HIV/AIDS (AHA) in performing this function.

4. ***Enrollment**
   The enrollment process will be described in number 5 of Attachment F. The District will discuss the process of enrollment, and will include, in detail, the process through which an enrollee will be connected to a primary care provider. The District will also provide to HCFA examples of actual enrollment materials. A list of providers who are appropriate to the enrollee's location will be available at each enrollment site. Information will also be provided regarding hospitals and specialists in the enrollee's area.

5. ***Informed Consent**
   As part of the enrollment process, the District will obtain signed informed consent from enrollees who wish to participate in this demonstration project. Such informed consent will assure that enrollees are aware that: 1) their participation in the demonstration is voluntary; 2) demonstration enrollees who become eligible for the traditional Title XIX will be disenrolled from the demonstration and will be enrolled in the District Medicaid program in such a way that does not disrupt continuity of care; 3) there is an enrollment ceiling and may be a waiting list if demonstration enrollment reaches this ceiling (including detailed explanation of how individuals are moved into the demonstration from this list). Forms used for this purpose must be reviewed and approved by the HCFA project officer.

6. **Confidentiality**
   The District will maintain the same standards of confidentiality for patient information as it maintains in the regular Medicaid program. This includes appropriate confidentiality safeguards during the exchange or transfer of patient specific information.

## B. Enrollment Ceiling

1. ***Enrollment Ceiling Initiation and Adjustment**
   The District will be able to limit the number of individuals who enroll in the demonstration program. HCFA will work with the District to set an initial enrollment ceiling number, then will work together with the District to determine a process for amending the enrollment ceiling. Under this option, the District may freeze new enrollment, but **may not** disenroll those currently in the demonstration program. New enrollment is defined as those demonstration applicants who are not yet eligible for Medicaid, those who are no longer eligible for Medicaid, and those who disenroll from Medicaid to move to the demonstration program (In accordance with A.3.). If the District freezes enrollment in the demonstration, those applicants eligible for the traditional Medicaid program must continue to be enrolled in the traditional Medicaid program.

   Initially, the District will monitor enrollment and expenditures. If the District believes it is likely to exceed the budget limit, either in aggregate or on a prorated basis, then the District will propose a revised enrollment number to HCFA for an expedited review. The District and HCFA will collaborate on a process for monitoring and reviewing the requested enrollment ceiling. In accordance with number 6 of Attachment F, the District will include its method for deciding the numerical limit and operation of the enrollment ceiling.

2. **Demonstration Enrollee Limit**
   Under no circumstances may the District limit enrollment in the traditional (non-demonstration) Medicaid program for HIV-positive individuals who are eligible to enroll. The enrollment ceiling may apply to the demonstration only.

3. ***Waiting List Mechanism**
   If demonstration enrollment reaches the enrollment ceiling, the District has indicated that it will consider the enactment of a waiting list. In number 7 in Attachment F, The District should describe the waiting list mechanism, if applicable, including how individuals are selected from the waiting list to enter into the program, how the list is maintained, how the potential enrollees will be informed of their placement and standing on the list, how often they will be informed of their standing, and how the intake workers will be able to access and verify an individual's standing on the waiting list at the time of potential enrollee application.

## C. Benefit Package

1. ***Services**
   In accordance with number 2 in Attachment F, the District will include a detailed listing of service categories and individual services that will be available to demonstration enrollees. All covered services will be available to demonstration enrollees regardless of whether they are related to the treatment of HIV disease. The District is responsible for ensuring that demonstration providers are aware of the service options and requirements.

2. **Coordination of Services**
   The District is responsible for overseeing the process of provider/agency development of linkage agreements and coordination of care for their enrollees with such entities as behavioral health providers, public health agencies, Ryan White CARE Act-funded agencies and providers, Indian Health Service providers, school-based health clinics, family planning clinics, substance abuse treatment facilities, community health, and mental health centers, sexually transmitted disease clinics, and other relevant providers.

## D. Provider Network and Access

1. ***Provider Numbers**
   In accordance with number 12 in Attachment F, the District will provide details (numbers, locations, types of provider, specialty areas) of the provider network for the District's HIV/AIDS demonstration program. The District must ensure that the provider network will be large enough to ensure adequate access for all demonstration participants to all needed services consistent with the scope of benefits offered.

2. **Americans with Disabilities Act**
   The District must monitor providers to ensure that they are conforming to the standards outlined in the Americans with Disabilities Act for purposes of communicating with, and providing accessible services for the hearing and vision impaired, and physically disabled

enrollees.

3. **Cultural Competency**
   The District must make the same linguistic and culturally competent services available to potential enrollees or enrollees in the HIV/AIDS demonstration as it does in the traditional Medicaid program.

4. **Continued Access**
   The District will ensure that the access standards for demonstration enrollees will remain in place, in the event of changes in the delivery system network. For example, if the District opts to enroll its Medicaid population into managed care.

## E. Quality Assurance

1. ***Monitoring Plan**
   In accordance with number 8 in Attachment F, the District will provide its overall quality assurance monitoring plan. The District will include in the protocol its plan for using specific quality indicators relevant to this demonstration project.

2. ***Enrollee Survey**
   Within 15 months of implementation, the District will conduct an enrollee survey. The survey will be generally described in accordance with number 8 in Attachment F and provided to HCFA for review a minimum of 60 days prior to use. At a minimum, the survey will include such measures as enrollee satisfaction with program administration and care provided and will include measures of use of emergency rooms, waiting times for appointments (primary care and specialists); and access to special providers/services. Results of the survey must be provided to HCFA by the 18th month of project implementation. Thereafter, the District will conduct annual enrollee surveys. Such surveys will be designed to produce statistically valid results.

3. ***Grievance and Appeal Process**
   The District will monitor the grievance and appeal process to assure that enrollee concerns are resolved in a timely fashion, that confidentiality is protected, and that coordination between providers and the District is occurring in an efficient and effective manner. At a minimum, as part of this monitoring effort, the District will collect and review quarterly reports on grievances it receives, and describe the resolution of each formal grievance. Quarterly reports must also include an analysis of logs of informal complaints as well as descriptions of how formal grievances and appeals were handled. The District will confirm the content and frequency of these reports in number 9 of Attachment F.

4. *** Educational Outreach to Provider Community**
   In accordance with number 15 in Attachment F, the District will provide its plan to conduct educational outreach to the Medicaid provider community so that all HIV positive individuals enrolled in the demonstration and in the non-demonstration Medicaid program receive optimal anti-retroviral therapy and other needed services in accordance with the latest HIV treatment guidelines.

5. *** Optimal Anti-retroviral Therapy Data**
   In accordance with number 17 of Attachment F, the District will provide, in its annual report to HCFA, data on the number and proportion demonstration enrollees and HIV-positive non-demonstration Medicaid enrollees who are receiving optimal anti-retroviral therapy in accordance with the latest HIV treatment guidelines. In the event the data shows that a significant proportion of HIV-positive individuals are not receiving optimal anti-retroviral therapy, the District will also include a discussion of the steps it will take to address the inadequate treatment.

## ATTACHMENT A

## GENERAL FINANCIAL REQUIREMENTS

**1.** The District will provide quarterly expenditure reports using the Form HCFA-64 to report total expenditures for services provided under the Medicaid program, including those provided through the District's HIV/AIDS Demonstration under section 1115 authority. HCFA will provide Federal Financial Participation (FFP) for allowable District HIV/AIDS demonstration expenditures only so long as they do not exceed the pre-defined limits as specified in Attachment D (Monitoring Budget Neutrality for the District HIV/AIDS demonstration).

**2.** **a.** In order to track expenditures under this demonstration, the District will report District HIV/AIDS demonstration expenditures through the Medicaid and State Children's Health Insurance Program Budget and Expenditure System (MBES/CBES), following the routine HCFA-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual. Expenditures subject to the budget neutrality cap will be reported on separate Forms HCFA-64.9WAIV and/or 64.9WAIV.P, identified by the demonstration project number assigned by HCFA (including the project number extension, which indicates the demonstration year in which services were rendered). For monitoring purposes, cost settlements must be recorded on Line 10.b, in lieu of Lines 9 or 10.c. For any other costs settlements (i.e., those not attributable to this demonstration), the adjustments should be reported o lines 9 or 10.c, as instructed in the State Medicaid Manual. The term, "expenditures subject to the budget neutrality cap,"is defined below in item 2.c.

**b.** For each demonstration year, a Form HCFA-64.9WAIV and/or 64.9WAIV.P will be submitted reporting expenditures subject to the budget neutrality cap. On the form, report the expenditures for participants enrolled in the District's HIV/AIDS demonstration. The sum of the expenditures for all demonstration years reported during the quarter will represent the expenditures subject to the budget neutrality cap (as defined in 2 c.).

**c.** For the purpose of this section, the term "expenditures subject to the budget neutrality cap" will include all Medicaid expenditures on behalf of individuals who are enrolled in the demonstration. All expenditures that are subject to the budget neutrality cap are considered demonstration expenditures and shall be reported on Form HCFA 64.9WAIV and/or 64.9WAIV.P.

**d.** Administrative costs will not be included in the budget neutrality limit, but the District must separately track and report additional administrative costs that are attributable to the demonstration. Procedures regarding the tracking and reporting of administrative costs will be described in the Operational Protocol, to be submitted by the District to HCFA under terms specified in Attachment F.

**e.** All claims for expenditures subject to the budget neutrality cap (including any cost settlements) must be made within 2 years after the calendar quarter in which the District made the expenditures. Furthermore, all claims for services during the demonstration period (including any cost settlements) must be made within 2 years after the conclusion

or termination of the demonstration. During the latter 2-year period, the District must continue to identify separately net expenditures related to dates of service during the operation of the 1115 demonstration on the Form HCFA-64 in order to properly account for these expenditures in determining budget neutrality.

**f.** *The procedures related to this reporting process, report contents, and frequency will be discussed by the District in number 1 of Attachment F.

**3. a.** For the purpose of calculating the budget neutrality expenditure cap described in Attachment D, the District shall provide to HCFA on a quarterly basis the actual number of eligible member/months (as defined below) for current law Medicaid eligibles with a diagnosis of HIV or AIDS and who are receiving drug therapy regimens through the Federal Supply Schedule. If a quarter overlaps the end of one demonstration year (DY) and the beginning of another, member/months pertaining to the first DY shall be distinguished from those pertaining to the second. (Demonstration years are defined as the years beginning on the first day of the demonstration, or the anniversary of that day.) Procedures for reporting eligible member/months shall be defined in the Operational Protocol.

**b.** The term, "eligible member/months" shall refer to the number of months in which persons are eligible to receive services. For example, a person who is eligible for 3 months contributes three eligible member/months to the total. Two individuals who are eligible for 2 months each contribute two eligible member months to the total, for a total of four eligible member/months.

**4.** The standard Medicaid funding process will be used during the demonstration. The District must estimate matchable Medicaid expenditures on the quarterly Form HCFA-37. As a supplement to the Form HCFA-37, the District will provide updated estimates of expenditures subject to the budget neutrality cap as defined in 2 c. of this Attachment. HCFA will make Federal funds available based upon the District's estimate, as approved by HCFA. Within 30 days after the end of each quarter, the District must submit the Form HCFA-64 quarterly Medicaid expenditure report, showing Medicaid expenditures made in the quarter just ended. HCFA will reconcile expenditures reported on the Form HCFA-64 annually with Federal funding previously made available to the District, and include the reconciling adjustment in the finalization of the grant award to the District.

**5.** HCFA will provide Federal Financial Participation (FFP) at the applicable Federal matching rate for the following, subject to the limits described in Attachment D:

**a.** Administrative costs, including those associated with the administration of the District's HIV/AIDS Demonstration;

**b.** Expenditures of the Medicaid program and prior period adjustments which are paid in accordance with the approved State Plan (including disproportionate share hospital payments); and

**c.** Net medical assistance expenditures made under Section 1115 demonstration authority, including those made in conjunction with the District's HIV/AIDS Demonstration.

**6.** The District will certify District/local monies used as matching funds for the District's Demonstration and will further certify that such funds will not be used as matching funds for any other federal grant or contract, except as permitted by federal law.

## ATTACHMENT B

## GENERAL PROGRAM REQUIREMENTS

**1.** *An evaluation design report must be submitted to HCFA for review and approval within 60 days of implementation. At minimum, the evaluation design should include a detailed analysis plan that describes how the effects of the demonstration will be isolated from those other initiatives occurring in the District. The report should also include an integrated presentation and discussion of the specific hypotheses (including those that focus specifically on the target population for the demonstration and the cost effectiveness of the demonstration) that are being tested, the outcome measures that will be used in evaluating the impact of the demonstration, particularly among the target population, and the data sources for assessing these outcomes. As part of the evaluation, use experience under the demonstration to calculate transitional probabilities for movement between levels of severity of HIV and AIDS. Please refer to number 15 of Attachment F.

**2.** The State shall fully cooperate with Federal evaluators and their contractor's efforts to conduct a formal independent federally funded evaluation of the demonstration program, which may include an establishment and mutual agreement on a comparable control group.

**3**. Within 45 days of approval, the District will submit a project management plan to HCFA for review. The project management plan will provide a timeline of milestone events, leading up to and including demonstration implementation. Please include as an element of this project management plan a description of steps to secure HAART drugs at FSS prices.

**4.** HCFA may suspend or terminate any project in whole or in part at any time before the date of expiration, whenever it determines that the District has materially failed to comply with the terms of the project. HCFA will promptly notify the District in writing of the determination and the reasons for the suspension or termination, together with the effective date. The District waives none of its rights under 42 CFR 430, Grants to States for Medical Assistance Programs, to challenge HCFA's finding that the District materially failed to comply. HCFA reserves the right to withhold waivers pending or to withdraw waivers at any time if it determines that granting or continuing the waivers would no longer be in the public interest. If the waiver is withdrawn, HCFA will be liable for only normal close-out costs.

**5.** The District may suspend or terminate this demonstration in whole or in part at any time before the date of expiration. The District will promptly notify HCFA in writing of the reasons for the suspension or termination, together with the effective date. If the waiver is withdrawn, HCFA will be liable for only normal close-out costs.

## ATTACHMENT C

## GENERAL REPORTING REQUIREMENTS

**1.** Effective January 1, 1999, States are required to submit Medicaid eligibility and claims information to HCFA through the Medicaid Statistical Information System (MSIS). Section 2700 of the District Medicaid Manual details the MSIS reporting requirements. The District will follow the reporting requirements outlined in the State Medicaid Manual when submitting eligibility and claims information for its expanded eligibility group (demonstration population).

**2.** *From approval through 6 months after implementation of the demonstration, HCFA and the District will hold monthly calls to discuss progress. During the remainder of the demonstration, progress calls will be held quarterly, however, HCFA will be available for additional calls as merited. Further, the District will submit quarterly progress reports that are due 60 days after the end of each quarter. The reports should include, as appropriate, a discussion of events occurring during the quarter that affect health care delivery, including enrollment and outreach activities; access to needed services; quality of care; complaints, grievances, and appeals to the District; the benefit package; services coordination under the demonstration; numbers of demonstration enrollees which includes a breakdown of those new enrollees and those enrollees who converted from the non-demonstration Medicaid program after losing Medicaid eligibility; and other operational and policy issues. The report should also include proposals for addressing any problems identified in each report. The District should include a discussion of the content and frequency of these reports according to number 1 of Attachment F.

**3.** *The District will submit a draft annual report documenting accomplishments, project status, quantitative findings, and policy and administrative difficulties no later than 120 days after the end of its operational year. Within 30 days of receipt of comments from HCFA, a final annual report will be submitted. The District should include a discussion of the content and frequency of these reports according to number 1 of Attachment F.

**4.** *At the end of the demonstration, a draft final report should be submitted to HCFA for comments. HCFA's comments must be taken into consideration by the District for incorporation into the final report. HCFA's document *Author's Guidelines: Grants and Contracts Final Reports* is available to the District upon request. The final report is due no later than 90 days after the termination of the project. The District should include a discussion of the content and frequency of these reports according to number 1 of Attachment F.

## ATTACHMENT D

## MONITORING BUDGET NEUTRALITY FOR THE DISTRICT'S HIV/AIDS DEMONSTRATION

The following describes the method by which budget neutrality will be assured under the District's HIV/AIDS demonstration. The District will be subject to a limit on the amount of Federal Title XIX funding that the District may receive on selected Medicaid expenditures during the demonstration period. This limit will apply to expenditures eligible for Federal financial participation (FFP) made on behalf of individuals who are enrolled in the demonstration. This limit will be determined using a per capita cost method. In this way, the District will be at risk for the cost of the demonstration's eligibility expansion, however the level of the budget neutrality ceiling will increase with the District's success in increasing the utilization of OPTIMAL ANTI-RETROVIRAL therapy among non-waiver Medicaid eligibles. By placing the District at risk for the cost of the demonstration, HCFA assures that the expenditures do not exceed the levels that would have been realized had there been no demonstration.

Prior to implementation of the demonstration the District may use expenditure data from Fiscal Years 1999 or 2000 to update the per capita pharmacy discount valuation.

### Determining the Budget Ceiling

For the purpose of calculating the overall expenditure limit for the demonstration, separate budget estimates will be calculated for each year on a demonstration year (DY) basis. The annual estimates will then be added together to obtain an expenditure estimate for the entire demonstration period. The Federal share of this estimate will represent the maximum amount of FFP that the State may receive during the 5-year period for demonstration expenditures. For each DY, the Federal share will be calculated using the FMAP rate(s) applicable to that year. The annual budget estimate will be the product of the projected per member/per month (PMPM) pharmacy discount times the actual number of monthly current law Medicaid eligibles with a diagnosis of HIV or AIDS and who are receiving drug therapy regimens through the Federal Supply Schedule as reported to HCFA by the District under the guidelines set forth in Attachment A section 3.a. Demonstration year budgets should be built by multiplying the monthly member month counts by the appropriate fiscal year PMPM discount value and then summing the separate fiscal year components of the demonstration year.

The projected PMPM pharmacy discount valuations are the following:

| Fiscal Year | PMPM |
|---|---|
| 2001 | $204.28 |
| 2002 | $224.71 |
| 2003 | $247.18 |
| 2004 | $271.90 |
| 2005 | $299.09 |
| 2006 | $329.00 |

Sample Calculations

*Demonstration Year:*
As an example, for July through June fiscal years assume the first demonstration year is Calendar year 2002; furthermore assume the monthly count for January through June is 2000 and 2250 for July through December. The calculation would be as follows:

January-June: 2000 x 6months x $224.71 = $2,696,520
July-December: 2250 x 6months x $247.18 = $3,336,930
CY 2002 (DY 1) = $6,033,450

**Impermissible DSH, Taxes or Donations**

If any health care related tax which was in effect during the base period, or provider related donation that occurred during the base year, is determined by HCFA to be in violation of the provider donation and health care related tax provisions of section 1903(w) of the Social Security Act, HCFA reserves the right to make adjustments to the budget neutrality cap.

**How the limit will be applied**

The limit calculated above will apply to actual expenditures for Medical services, as reported by the State under Attachment A. If at the end of the demonstration period the budget neutrality provision has been exceeded, the excess Federal funds will be returned to HCFA. There will be no new limit placed on the FFP that the State can claim for expenditures for recipients and program categories not listed. If the demonstration is terminated prior to the 5-year period, the budget neutrality test will be based on the time period through the termination date.

**Expenditure Review**

HCFA shall enforce budget neutrality over the life of the demonstration, rather than on an annual basis. However, no later than six months after the end of each demonstration year, the HCFA will calculate an annual expenditure target for the completed year. This amount will be compared with the actual FFP claimed by the State under budget neutrality. Using the schedule below as a guide, if the State exceeds the cumulative target, they shall submit a corrective action plan to HCFA for approval. The State will subsequently implement the approved program.

| Year | Cumulative target definition | Percentage |
|---|---|---|
| Year 1 | Year 1 budget neutrality cap plus | 8 percent |
| Year 2 | Years 1 and 2 combined budget neutrality cap plus | 3 percent |
| Year 3 | Years 1 through 3 combined budget neutrality cap plus | 1 percent |
| Year 4 | Years 1 through 4 combined budget neutrality cap plus | 0.5 percent |
| Year 5 | Years 1 through 5 combined budget neutrality cap plus | 0 percent |

## ATTACHMENT E

## ACCESS STANDARDS

*The District assures that the demonstration will provide available, accessible, quality care to demonstration enrollees through the use of an adequate number of institutional facilities, service locations, service sites, and professional, allied, and paramedical personnel for the provision of all covered services. These services must be available on an emergency basis, 24 hours a day, 7 days a week. Please provide the District's access standards according to number 12 in Attachment F.

## ATTACHMENT F

## OPERATIONAL PROTOCOL

The District will be responsible for developing a detailed protocol describing the District's HIV/AIDS Demonstration. The protocol will serve as a stand alone document that reflects the operating policies and administrative guidelines of the demonstration. The protocol will be submitted for review and approval no later than 90 days prior to implementation. HCFA will respond within 30 days of receipt of the protocol. The District will assure and monitor compliance with the protocol. The protocol will include all requirements specified within the Special Terms and Conditions to include:

**1.** The organizational and structural administration that will be in place to implement, monitor, and operate the demonstration, and the tasks each organizational component will perform. The District will also include in this section a discussion of the content and frequency of reporting items as listed in Attachments A and C of this document.

**2.** A complete description of Medicaid services covered under the demonstration, according to C.1. of section IV, which includes general service categories and the specific services included therein.

**3.** A description of the District's plan to foster coordination of care between the primary care provider and other entities such as public health departments, community health centers, Ryan White providers, etc. Refer C.2. of section IV.

**4.** A description of the District's outreach and marketing strategy, in accordance with requirements in A.1. of section IV, including the availability of bilingual materials/interpretation services and services for individuals with special needs. Include any pertinent documentation of the District's strategy, including informational brochures or materials that will be used as an attachment to the Protocol document.

**5.** A comprehensive description of the education, enrollment, and disenrollment processes. Include any enrollment forms or informational items, including the District's consent form (referenced in A.4. of section IV) in an attachment to the Protocol document. Also include a detailed description of the District's method for verification of HIV seroconversion for enrollment into the demonstration. Refer also to A.2.of section IV.

**6.** A discussion of the District's plans to limit enrollment via an enrollment ceiling. The District should describe the mechanism by which it will implement the enrollment ceiling, how the enrollment ceiling number will be derived, and assurances that demonstration enrollees will remain on the program as long as they are eligible (even if the enrollment ceiling number is lowered throughout the course of the 5 year demonstration). The District and HCFA will work together to determine a process for amending the enrollment ceiling number. Please answer in accordance with B.1. of section IV.

**7.** A detailed discussion of the operation of a waiting list, if/when applicable, for the demonstration program. Include any pertinent documentation or instructions for the waiting list as an attachment to the Protocol document. Answer in accordance with B.3. of section IV.

**8.** An overall quality assurance monitoring plan that includes a discussion of all quality indicators to be employed and methodology for measuring such indicators; quality monitoring surveys to be conducted, and the monitoring and corrective action plans to be triggered by the surveys; credentialing requirements and monitoring; fraud control provisions and monitoring; and the proposed provider-enrollee ratios, access standards, etceteras.

**9.** A description of the complaint and appeal policies that will be in place at the District level. Refer to E.3 of section IV.

**10.** A description of basic features of the administrative and management data system.

**11.** A description of the process whereby enrollees will smoothly transition from the demonstration to the non-demonstration Medicaid program without disruption in continuity of care, and/or vice versa. Refer to A.2. and A.3. of section IV.

**12.** A description of the provider network/access monitoring plan. Include any HIV/AIDS provider standards/qualifications/designations that the District currently utilizes.

**13.** A detailed description of the operation of the demonstration pharmaceutical distribution system including the acquisition of drugs at FSS prices and a listing of which drugs the system is responsible for providing under the demonstration.

**14.** Include as an attachment to the protocol document the evaluation design report as discussed in Attachment B, number 1.

**15.** A description of the District's plan to increase the extent to which optimal anti-retroviral therapy is provided to non-demonstration Medicaid enrollees by educating Medicaid providers regarding the latest HIV-treatment guidelines so that all demonstration and non-demonstration Medicaid enrollees receive appropriate HIV treatment and care. Include details about the District's method to ensure that the latest HIV treatment guidelines will be made available to providers in the District and the extent to which HIV expert/consultation services will be made available to Medicaid providers.

**16.** A description of the District's plan to monitor demonstration participants' adherence to treatment regimen(s). Include details about case management and other services that will be available to assist and support patient adherence.

**17.** A description of the monitoring plan, to be submitted in the District's Annual Report to HCFA, that the District will establish to determine the number and proportion of HIV-positive demonstration enrollees and non-demonstration Medicaid enrollees who receive optimal anti-retroviral therapy in accordance with the latest HIV treatment guidelines. Include details on how claims data will be used to evaluate the use of anti-

retroviral therapy among demonstration and non-demonstration Medicaid enrollees.